

LAW OFFICES OF  
**MARGARET HERRMANN TAYLOR**  
7006 S W BURLINGAME AVENUE  
PORTLAND, OREGON 97219  
(503) 223-4333

MARGARET HERRMANN TAYLOR, J.D.,  
LL.M. (TAXATION)

MEMBER  
OREGON, WASHINGTON, D.C. AND  
MARYLAND BARS

OF COUNSEL  
RIEKE, GEIL & SAVAGE, P.C.

SHARON C. SCHAPER  
LEGAL ASSISTANT

FAX (503) 245-1402

October 31, 1990

0-310A005

RECORDATION NO. 17074

NOV 6 1990 - 10:45 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission  
Recordation, Room 2303  
12th & Constitution Avenue, N.W.  
Washington, D.C. 20423

Attention: Mildred Lee

Re: **SELLER:** **COACH CARS, INC.,**  
An Oregon Corporation  
2131 S.E. Tenino  
Portland, Oregon 97202

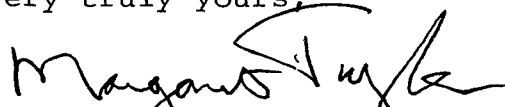
**BUYER:** **PACIFIC N.W. CHAPTER**  
**NATIONAL RAILWAY HISTORICAL SOCIETY,**  
A Non-Profit Oregon Corporation  
Union Station, Room 1  
Portland, Oregon 97209

**RAILROAD CARS:** 6905 (EXMBTA)  
6911 (EXMBTA)

Dear Ms. Lee:

Enclosed for filing are an original and one true copy  
of the Sales Agreement and Security Agreement for the above-  
captioned matter. Also enclosed is my check in the amount of \$15  
representing the filing fee.

Very truly yours,

  
Margaret Herrmann Taylor

MHT:scs

Enclosures: Original Sales and Security Agreement  
True copy of original  
Check: \$15

CC: Robert Jackson

**Interstate Commerce Commission**  
Washington, D.C. 20423

11/6/90

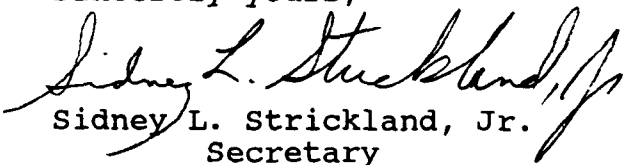
OFFICE OF THE SECRETARY

Margaret Herrmann Taylor  
7006 S.W. Burlingame Avenue  
Portland, Oregon 97219

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/6/90 at 10:15AM , and assigned recordation number(s) 17074.

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

SALES AGREEMENT  
and  
SECURITY AGREEMENT

RECORDATION NO. 17074 FILED 1990  
NOV 6 1990 10 12 AM  
INTERSTATE COMMERCE COMMISSION

DATED: This 5 day of October, 1990.

SELLER: **COACH CARS, INC.,**  
An Oregon Corporation  
2131 S.E. Tenino  
Portland, Oregon 97202 ("Seller" herein)

BUYER: **PACIFIC N.W. CHAPTER  
NATIONAL RAILWAY HISTORICAL SOCIETY,**  
A Non-Profit Oregon Corporation  
Union Station, Room 1  
Portland, Oregon 97209 ("Buyer" herein)

WHEREAS, the Seller wishes to sell and the Buyer wishes to buy two railroad cars.

The parties hereto agree as follows:

1. The Seller will sell and the Buyer will buy two railroad cars identified as numbers 6905 (EX MBTA) and 6911 (EX MBTA).

2. The total purchase price for the two cars will be THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00). FIFTEEN THOUSAND DOLLARS (\$15,000) shall be paid at closing. The outstanding balance shall accrue interest at the rate of nine percent (9%) per annum from the date of closing, the balance of such principal and interest to be paid as follows:

2.1 FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) plus all accrued interest is due on or before January 1, 1991.

2.2 FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) plus all accrued interest is due on or before April 1, 1991.

2.3 A final payment of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) plus all accrued interest is due on or before July 1, 1991.

3. The Seller will retain a security interest in both cars, including, but not limited to, all accessories, parts, additions and replacements thereto, and all proceeds and products

thereof, ("Collateral" herein) until such time as the purchase price is paid in full.

4. The Buyer shall not sell, assign or transfer any interest in the Collateral until such time as the purchase price above is paid in full.

5. The Buyer agrees to execute a financing statement and do whatever is necessary under the Oregon Uniform Commercial Code and the Interstate Commerce Commission to perfect and continue the security interest in the railroad cars, all at the Buyer's expense.

6. The Seller will provide the labor for a COT&S and the Buyer will reimburse the Seller for parts. Otherwise, and in all other respects, the Buyer agrees and acknowledges that the railroad cars are being sold "AS IS" and "WHERE AT" and the cars may contain asbestos.

7. The Buyer shall be in default under this agreement upon the occurrence of any of the following events or conditions:

7.1 The Buyer fails to make any payment when due.

7.2 The Buyer fails to comply with any term, obligation, covenant or condition contained in this Agreement within twenty (20) days after receipt of written notice from the Seller demanding such compliance.

7.3 If any payment is not paid when due, then at the option of the Seller, any outstanding balance shall immediately become due and payable and shall thereafter bear interest at the rate of twelve percent (12%) per annum until paid.

## **SECTION 8. RIGHTS OF SELLER**

8.1 Upon default and at any time thereafter, Seller shall, in addition to the all of the other remedies available at law and in equity, have all the rights and remedies of a secured creditor under the Oregon Uniform Commercial Code at law, in equity, or otherwise.

8.2 In exercising its rights under this security agreement, Seller may require Buyer to make the Collateral available to Seller at the place to be designated by Seller. Seller may sell the Collateral by public auction, by private sale, or by other method of disposition. Seller may bid at any public sale on all or any portion of the Collateral. Unless the Collateral threatens to decline quickly in value, Seller shall

give Buyer reasonable notice of the time and place of any public sale, or of the time after which any private sale or other disposition of the Collateral is to be made. Notice given at least 10 days prior to the time of the sale or other disposition shall be conclusively presumed to be reasonable. A public sale in the following fashion shall be conclusively presumed to be reasonable.

8.2.1 Notice shall be given at least 10 days prior to the date of sale by publication once in a newspaper of general circulation published in the county in which the sale is to be held;

8.2.2 The sale shall be held in a county in which the Collateral or any part is located or in a county in which Buyer has a place of business;

8.2.3 Payment shall be in cash or by certified check immediately following the close of the sale;

8.2.4 The sale shall be by auction, but it need not be by a professional auctioneer;

8.2.5 The Collateral shall be sold as is and without any preparation for sale.

8.3 Notwithstanding section 8.2 hereof, Seller shall be under no obligation to offer to sell the Collateral. In the event Seller offers to sell the Collateral, Seller will be under no obligation to consummate a sale of the Collateral if, in its reasonable business judgment, none of the offers received by it reasonably approximates the fair value of the Collateral.

8.4 If Seller elects not to sell the Collateral, Seller may elect to follow the procedures set forth in the Oregon Uniform Commercial Code for retention of the Collateral in satisfaction of Buyer's obligation, subject to Buyer's rights under such procedures.

8.5 In the event of a default by Buyer, Seller shall be entitled to the appointment of a receiver for the Collateral as a matter of right whether or not the apparent value of the Collateral exceeds the outstanding principal amount of the Note, and any receiver appointed may serve without bond. Employment by Seller shall not disqualify a person from serving as receiver.

8.6 Expenses of retaking, holding, preparing for sale, selling, or the like shall include Seller's reasonable attorney fees and legal expenses, whether or not litigation is commenced, and also such fees and expenses on appeal.

## SECTION 9. MISCELLANEOUS PROVISIONS

9.1 Election by Seller to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Buyer under this security agreement after failure of Buyer to perform shall not affect Seller's right to declare a default and exercise its remedies under Sections 7 and 8.

9.2 All Seller's rights and remedies, whether evidenced in this agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently.

9.3 Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, postage prepaid, addressed to the parties at the address stated above.

All notices and other communications shall be deemed to be given at the expiration of the third day after the date of certification. The addresses to which notices or other communications shall be mailed may be changed from time to time by giving written notice to the other party as provided above.

9.4 In the event of a default under this Agreement, the defaulting party shall reimburse the nondefaulting party for all costs and expenses reasonably incurred by the nondefaulting party in connection with the default, including without limitation attorney fees. Additionally, in the event a suit or action is filed to enforce this Agreement or with respect to this Agreement, the prevailing party shall be reimbursed by the other party for all costs and expenses incurred in connection with the suit or action, including without limitation reasonable attorney fees at the trial level and on appeal.

9.5 This Agreement and the exhibits to this Agreement set forth the entire understanding of the parties with respect to the subject matter hereof and supersede all existing agreements between the parties with respect to the subject matter. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the parties.

9.6 If in any judicial proceeding a court shall refuse to enforce all the provisions of this Agreement, any unenforceable provision shall be deemed eliminated from the Agreement for the purpose of such proceeding as is necessary to permit the remainder of the Agreement to be enforced in such proceeding.

9.7 No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9.8 This Agreement shall be governed by and construed in accordance with the laws of the state of Oregon.

9.9 Seller, at any time and at its option without further authorization from Buyer, may file copies of this agreement as a financing statement.

#### SECTION 10. ACKNOWLEDGMENT

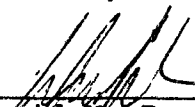
10.1 The parties hereto acknowledge that Robert C. Jackson has an ownership interest in and is treasurer for the Seller and is also a Director of the Buyer. The parties hereby affirm that this transaction was approved by each entity without the vote of Jackson and hereby waive any claims either one of them might have against Mr. Jackson with respect to this transaction.

IN WITNESS WHEREOF, the parties have executed three originals of this instrument as of the date first mentioned above.

SELLER:

COACH CARS, INC.,

By

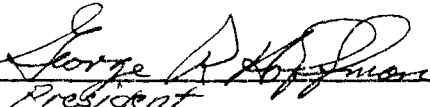
  
David W. Duncan, President

BUYER :

PACIFIC N.W. CHAPTER  
NATIONAL RAILWAY HISTORICAL SOCIETY,

By

Title

  
President

AFFIDAVIT OF TRUE COPY

STATE OF OREGON       )  
                                  )ss.  
County of Multnomah )

I, Margaret Herrmann Taylor, being first duly sworn, do depose and say:

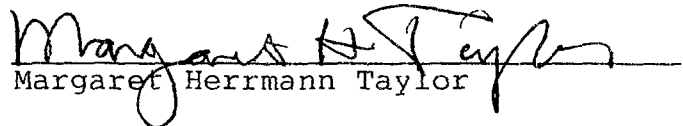
I am the attorney for Coach Cars, Inc.

On September 28, 1990 I prepared Sale Agreement and Security Agreement for my client and sent it to my client execution by the parties.


I received the executed original of said agreement from my client and made photocopies of the original.

I hereby attest that the foregoing photocopy of the executed original is a true copy of the original.

DATED this 31 day of October, 1990.

  
Margaret Herrmann Taylor

SUBSCRIBED AND SWORN to before me this 31 day of October, 1990.

  
Notary Public for Oregon  
My Commission Expires: 5/22/91